

House Bills

HB 20 **Repeal of Certain Income Tax Credits and Contributions**

Amends: Individual Income Tax Act 4-23-7.5, 23-14-14.1, 59-10-1304, 59-10-1307, 63I-2-223

Enacts: 63I-2-204

Repeals: 59-10-1008, 59-10-1309

Effective: 01/01/2009 (retrospective)

1. Repeals the income tax targeted jobs tax credit for individuals, estates, and trusts.
2. Repeals the individual income tax contributions for the Utah College of Applied Technology and the Wolf Depredation and Management Restricted Account.
3. Provides that contributions and interest remaining on June 30, 2009 in the Wolf Depredation and Management Restricted Account shall be deposited into the Agricultural and Wildlife Damage Prevention Account.

HB 35 **Higher Education Tuition Credit**

Amends: 59-1-403, 59-10-1303

Enacts: 59-10-1313

Effective: 01/01/09 (retrospective)

1. Allows a person to designate on the individual income tax return a contribution to UESP for the entire refund amount.

HB 378 **Circuit Breaker Amendments**

Amends: 59-2-1208

Effective: 1/1/09

1. Decreases a claimant's household income by \$1,000 for each dependent claimed on the claimant's federal taxes for purposes of qualifying for a homeowner's credit for a maximum household income decrease of \$1,000.
2. Decreases a claimant's household income by \$1,000 for each dependent claimed on the claimant's federal taxes for purposes of qualifying for a renter's credit for a maximum household income decrease of \$1,000.

HB 430 **Economic Development Incentives for Alternative Energy Projects**

Amends: 59-7-614.2, 59-10-1107

Enacts: 63M-1-2801, 63M-1-2802, 63M-1-2803, 63M-1-2804, 63M-1-2805, 63M-1-2806

Effective: Amendments to 59-7-614.2 and 59-10-1107 retrospective 01/01/2009.
All other changes effective 05/12/2009

1. Expands the economic development tax credit to include a business entity in a renewable energy development zone for a renewable energy project.
2. Provides for the issuance of a renewable energy development tax credit certificate by the office, with restrictions and conditions, such as specifying the maximum amount of tax credit a business entity may earn over the life of a renewable energy project.
3. Requires the business entity to submit to audits by GOED for verification of a claimed tax credit.
4. Provides for certification by the office of a business entity's eligibility for a claimed tax credit.

Senate Bills

SB 14 **Financial Incentives for Motion Picture Production**

Amends: 63M-1-1801, 63M-1-1802, 63M-1-1803, 63M-1-1805

Enacts: 59-7-614.5, 59-10-1108

Repeals and Reenacts: 63M-1-1804

Effective: 01/01/2009 (retrospective)

1. Provides for motion picture incentives in the form of cash rebate incentives for small budget productions and refundable tax credits for larger budget productions.
2. Provides for definitions related to the determination and calculation of motion picture incentives.
3. Provides for reports to the Revenue and Taxation and Workforce Services and Community and Economic Development Interim Committees and the Utah Tax Review Commission.
4. Provides that GOED may issue up to \$7,793.700 in tax credits in a fiscal year.

SB 23 **Income Taxation of Pass-Through Entities and Pass-Through Entity Taxpayers**

Amends: 59-7-101, 59-7-102, 59-7-106, 59-7-402, 59-7-701, 59-7-705, 59-7-706, 59-7-707, 59-10-103, 59-10-117, 59-10-507, 59-10-1103, 59-10-1401, 59-10-1402, 59-10-1403, 59-10-1404, 59-10-1405

Enacts: 59-7-614.4, 59-10-1403.1, 59-10-1403.2, 59-10-1404.5

Repeals: 48-2c-117, 59-7-702, 59-7-703, 59-7-704

Effective: 01/01/09 (retrospective)

1. Repeals corporate franchise and income taxes on an S corporation (i.e. the built-in gains tax) effective 1/1/13.
2. Expands withholding requirements to provide that a pass-through entity, including a general partnership, limited partnership, limited liability partnership, limited liability company, or an S corporation, is required to pay or withhold a tax on behalf of a resident or nonresident business entity or a nonresident individual.

3. Provides that a publicly traded partnership is not required to withhold for its nonresident partners but is required to send the commission information on each partner with Utah income in excess of \$500.

SB 108 Tax Commission Administration, Collection, and Enforcement Amendments

Amends: 10-1-307, 10-1-405, 19-6-410.5, 34A-2-202, 38-12-101, 59-1-101, 59-1-302, 59-1-401, 59-1-501, 59-1-703, 59-6-104, 59-7-519, 59-7-522, 59-10-501, 59-10-505, 59-10-510, 59-10-529, 59-10-531

Effective: May 12, 2009

Creates a new Part 14 in Title 59, Chapter 1, that provides uniform statutory provisions for assessment, collection and refund of taxes and fees, including:

- Providing a uniform time period for appealing the denial of a refund;
- Clearly defining the assessment date;
- Allowing the commission the discretion to estimate taxes for all tax types if a taxpayer doesn't file a return, or files a false or fraudulent return;
- Defining "deficiency" for all tax types and clarifying that the Commission may increase or decrease a deficiency during a redetermination proceeding without issuing an amended or supplemental assessment;
- Prohibiting the transfer of property of a delinquent taxpayer for all tax types;
- Defining mathematical error consistent with IRC practice and applying to all tax types;
- Increasing the time within which a taxpayer may respond to a notice and demand from 10 to 30 days;
- Clarifying that a warrant does not have to be filed with the sheriff, but may be filed by the commission directly with the court;
- Increasing the duration of a judgment from eight to ten years, and prohibiting the commission from refiling a judgment;
- Broadening the taxpayer remedies for a sales tax deficiency (Section 59-12-110(2)(e)) to apply to all tax types (these remedies are to: (1) appeal; or (2) pay the tax and apply for a refund); and

- Making consistent the time frames for appeals on refund claims with the time frames for appealing the assessment of tax (that is, repeals Sections 59-10-532 through 59-10-535).

SB 148 **Low Profit Limited Liability Company Act**

Amends: 48-2c-102; 48-2c-106; 48-2c-403; 48-2c-405

Enacts: 48-2c-412; 48-2c-1411

Effective: 3/23/2009

1. Creates requirements to be a low-profit limited liability company, including a statement in the articles of organization.
2. Addresses when a low-profit limited liability company ceases to be a low-profit limited liability company.
3. Provides for conversions or mergers involving a low-profit limited liability company.

SB 160 **Utah Venture Capital Enhancement Act Amendments**

Amends: 63M-1-1218

Effective: 05/12/2009

Provides that the Utah Capital Investment Board may issue contingent tax credits in a manner that would allow for the redemption of not more than \$20,000,000 for each increment of \$100,000,000 of outstanding certificates in any fiscal year.